



## Governor's May Revision Reflects Continued Growth For California

This year's "May Revision" to the Governor's Budget provides an encouraging view of a growing state economy and a healthy State Budget. On May 14, the State Department of Finance released its revised forecasts of economic trends, revenues and expenditures.

California's job growth for 1999 is now forecast at 3.3 percent, compared to 2.1 percent in the January forecast. Personal income is forecast to increase to 6.6 percent this year, up from the earlier forecast of 5.1 percent, maintaining 1998's exceptionally strong pace.

General Fund revenues are forecast to be \$1.6 billion higher than the January forecast for 1998-99 and nearly \$2.7 billion higher in 1999-00, for a total increase of more than \$4.3 billion. Fiscal year 1998-99 is projected to end with a reserve of \$1.8 billion, up \$1.263 billion from the prior forecast. The May Revision also reflects a balanced State budget for fiscal year 1999-00, and provides a reserve of more than \$985 million for economic uncertainties in the coming year. Highlights are shown below:

### 1999-00 General Fund Budget Summary (Dollars in Millions)

	<u>1998-99</u>	<u>1999-00</u>
Prior Year Balance	\$3,065	\$2,361
Revenues & Transfers	<u>\$57,927</u>	<u>\$62,985</u>
Total Resources Available	\$60,992	\$65,346
Expenditures	<u>\$58,631</u>	<u>\$63,223</u>
Fund Balance	\$2,361	\$2,123
Budget Reserves:		
Special Fund for Economic Uncertainties	\$1,881	\$985

You can access the May Revision from our home page at <http://www.treasurer.ca.gov> under "Financial Information", or from the Department of Finance at <http://www.dof.ca.gov>.

## Financial Advisory & Bond Counsels To Submit Statements of Qualifications

The State will be distributing two separate Requests for Statement of Qualifications (RFQ). One RFQ will be used to establish a new pool of firms to provide professional financial advisory services. The other RFQ will be used to establish a new pool of firms to provide professional bond counsel and disclosure counsel services. Both pools will be used by the State as well as various State financing authorities.

Interested firms may obtain a copy of the RFQ by calling (916) 653-3967.



## Treasurer to Release Special Edition of Debt Affordability Report

The law requires the Treasurer to submit a debt affordability report to the Governor and the Legislature by October 1 of each year.

The Treasurer will soon release a special edition of the report early this summer, so decision makers will have a tool to help prioritize the State's infrastructure investments and to help the State maintain and enhance its economic success.

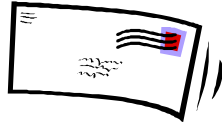
If you would like to review the debt affordability report, it will be available in July on the Treasurer's home page at <http://www.treasurer.ca.gov/stopub.htm>.

## Listing of Redemptions

*There are no official announcements of redemptions as of June 1, 1999.*

## Have a Question You Would Like to Ask?

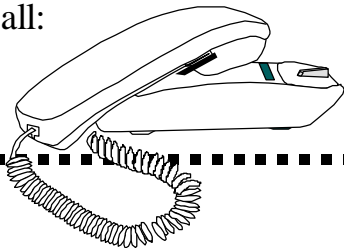
Please send your request to:  
**State Treasurer's Office**  
**Investor Relations Section**  
**P.O. Box 942809**  
**Sacramento, CA 94209-0001**



Or you can call or send a facsimile:  
**(800) 900-3873**  
**Fax (916) 657-4827**

To receive the *Treasury Note* monthly, enroll for direct deposit of your payments, or other bond related questions, please call:

**(800) 900-3873**



## Questions and Answers

**Q:** How can I find out more about the Scholarshare Trust College Savings Program?

**A:** The Scholarshare Program is administered by the California Student Aid Commission. For further information regarding this program, you can call (916) 526-7590, or visit our website for a direct link to the program's own website.

**Q:** I am going on an extended vacation in the future. I would like my registered interest checks mailed to a different address until I return. Can your office temporarily change my address?

**A:** Yes, the Bondholder Services Section of the Treasurer's office will be glad to set up a temporary mailing address for you. You will need to submit a written outline of your request, including the beginning and ending dates for your temporary address. Please be sure to sign your request. If you need additional information, you may contact the *Bondholder Services Section* at (800) 900-3873.



## Bond Sales Calendar\*

If you are interested in purchasing any of these bonds, please contact your broker two weeks before the sale date. For updated information regarding upcoming sales, please contact the *Debt Issuance Section* at (800) 900-3873.

BOND SALES	AMOUNT	SALE DATE
Various Purpose General Obligation Bonds	\$400 million or less	June 9, 1999
State Public Works Board, Lease Revenue Bonds, California Community Colleges, Various Projects and State Public Works Board Refunding, Various Lease Revenue Bonds	New Money - \$54 million Refunding - To be determined	June 15, 1999
Revenue Anticipation Notes	To be determined	Summer 1999

**\*Subject to change without notice.**